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LETTER DISCUSSING THE STATE OF TENNESSEE'S CONCERN ABOUT EARLY  
TRANSFERAL OF NAVY PROPERTY TO THE CITY OF MILLINGTON AND ACCESS TO  
NAVY ROAD MILLINGTON SUPPACT TN

5/13/1998

STATE OF TENNESSEE DEPARTMENT OF ENVIRONMENT AND CONSERVATION



STATE OF TENNESSEE  
**DEPARTMENT OF ENVIRONMENT AND CONSERVATION**

Office of General Counsel  
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312 Eighth Avenue, North  
Nashville, Tennessee 37243-1548  
Telephone: (615) 532-0131

May 13, 1998

Mr. Steve Beverly  
Associate Counsel  
Counsel For The Southern Division  
Naval Facilities Engineering Command  
P.O. Box 190010, 2155 Eagle drive  
North Charleston, SC 29419-9010

RE: Natural Resource Damages, Naval Support Activity, Memphis

Dear Mr. Beverly:

I want to follow-up on our meeting of April 30, 1998, and to provide you a written response to your letter dated March 13, 1998. As indicated at the meeting, the State's proposal to include a Natural Resource Damage settlement in the CERCLA 120(H)(3)(C) process was intended to benefit all concerned. We view this as a way for the Navy to eliminate a substantial potential liability without expending any taxpayer money.

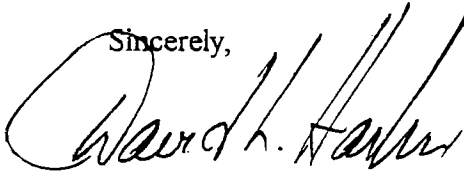
While we do not agree with your legal conclusions concerning this proposal, we are willing to continue to attempt to work with the Navy to resolve all outstanding issues. The State is willing to accept your suggestion to include in the early transfer agreement a provision providing for the initiation of formal Natural Resource Damage Assessment ("NRDA") discussions. We furnished to you at the meeting our re-draft of your proposed language on this subject. As we told you, it is critical that the Navy commit to the funding of this assessment.

Putting the NRDA issue aside, the State still cannot agree to an early transfer until other issues are adequately addressed. As we discussed at the meeting, the particular properties selected by the Navy for transfer to the City of Millington under the BRAC procedure leaves many questions such as access, utility usage and facility upkeep, etc. We believe that our proposal constitutes a valid reuse need of the community and the State. In resolving these issues, we request that the Navy reconsider and revise the base transfer

to include those properties we discussed at the meeting. This would include transferring to the State the property located between the vacated hospital and the federal prison fronting Navy Road. Also included is the transfer of much of the frontage of Navy Road (previously retained by the Navy) to the City of Millington or to the State. The lack of frontage on Navy Road must be addressed. Obviously, road frontage is crucial to Millington's venture to make this a viable industrial park. Most important is guaranteed access to the airport via Seventh Avenue. This is necessary to the success of Millington's operation of the airport. It is our understanding that potential park tenants are reluctant to commit to using the facility without guaranteed access.

If we work together innovatively as local, state and federal partners, I believe everyone will benefit. I look forward to working with you. Please call me if you have any questions at (615) 532-0144.

Sincerely,

A handwritten signature in black ink, appearing to read "David L. Harbin", written over a large, stylized circular flourish.

David L. Harbin  
Assistant General Counsel

EJS/DLH/beverly.doc